

Topic: Using the Payment Advice Internet Delivery (PAID) System

Background

The Internal Revenue Service Health Coverage Tax Credit (HCTC) program had entered into an agreement with the Treasury Department to make payment remittance information available to health plan administrators (HPAs) via the Internet. The system is called the Payment Advice Internet Delivery (PAID) system. It was developed to provide an additional method for delivering payment remittance information to vendors who are paid electronically through the Automated Clearing House (ACH) system.

The PAID system has been in use by state and local governments and government contractors for over 4 years. In addition, one of the COBRA Third Party Administrators (TPAs) working with the HCTC program has tested and received data through the PAID system.

What Does This Mean for HPAs?

Today the HCTC program provides HPAs with a paper payment advice report to assist in posting HCTC payments to their accounting systems. With PAID, HPAs receiving payments electronically have the flexibility of choosing e-mail or internet access to information similar to the paper payment advice report. When registering for the PAID system, HPAs can choose from multiple delivery methods to receive the payment remittance information:

1. Web access to remittance data
2. E-mail notification of new remittance data
3. E-mail delivery of remittance data*

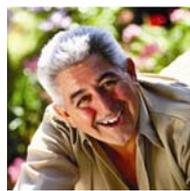
* The PAID system currently has limitations as to the record size it can transmit through e-mail. Therefore, if you receive a large volume of HCTC transactions, selecting Option 3 will result in multiple e-mails.

Date	Agency	Amount
12/17/1999	Fish and Wildlife Service	\$185.00
	Note PMT	INVOICE DATE: 11/10/99
12/17/1999	Dept. of Labor, Central Pay	\$436.00
	IV	436953
12/17/1999	Dept. of Labor, Central Pay	\$411.52
	IV	436954
	Note PMT	INCLUDES INT. OF \$2.52 AT 6.50% FOR 34 DAYS

PAID is available at no cost, and there is no obligation to use the system. Payment data is available within 24 hours of the date of payment, and remains accessible for 2 months.

Advantages of the PAID System

- HPAs will have electronic access to payment information
- With the e-mail notification option, HPAs will know when a payment has been posted to their bank account by HCTC within 24 hours after the date of payment
- Payment information is provided in a secure manner (Secure Sockets Layer security on the web, e-mail information is 128 bit encrypted)
- HPAs do not have to wait for the paper payment advice report to arrive (Paper payment advice reports will continue to be sent to all HPAs receiving payment from the HCTC)
- There is a reduced dependency on banks for the payment addenda record, which may save HPAs money if their bank charges them to receive this addenda information





**AUSTIN FINANCIAL CENTER
PAYMENT ADVISE INTERNET DELIVERY (PAID) SYSTEM**
<http://fms.treas.gov/paid>

PAID is a internet based system developed by the U.S. Department of the Treasury's Financial Management Service (FMS) to provide participating Federal agencies a method of making ACH payment remittance information available to their vendors through the internet.

PAYMENT INFORMATION AVAILABLE

Information in PAID appears as it is provided by the Federal agency authorizing the payment.

- Agency Name
- Date of payment
- Payment Amount
- Invoice Number or Purchase Order Number
- Interest Penalty Information
- *Banking information such as routing/account numbers not part of the system*

AGENCY ENROLLMENT

- PAID is **free of charge** to participating Federal agencies and vendors.
- Complete a Memorandum of Understanding with FMS and provide the information requested.
- PAID is available to all federal agencies
- System only accepts payments that are in a Cash Concentration or Disbursement plus addenda (CCD+) format.

VENDOR REGISTRATION

Vendors should check the list of participating agencies at <http://fms.treas.gov/paid/Agencies.asp> to determine if any of the agencies paying them are participants. A vendor can only access their own payment data.

Registration consists of completing a simple form and choosing from one of the following delivery methods:

- Web access to remittance data
- E-mail notification of new remittance data
- E-mail delivery of remittance data

Data should be available within 24 hours of the date of payment. It is retained online for two months from the date of payment. An on-line demonstration is available at: <http://fms.treas.gov/paid/index.asp>

SECURITY/BROWSER ACCESS REQUIREMENTS

The vendor must use an internet browser with 128-bit encryption. PAID is a secure site using the standard Secure Sockets Layer (SSL) to provide a secure channel of communication between a web browser and the server. This authenticates the identity of the server to the browser, and provides privacy by encrypting and decrypting all data sent between them.

Send questions or comments to web.afc@fms.treas.gov or Call (512) 342-7300